

Component	Current Methodology	Proposed Changes
Food	Data: USDA Moderate Food Plan and CES	Move from a 10-year differential to a 5-year differential and average results for male and female food budgets for single adult households.
	Assumption: Single Adult households are assumed to be female.	
	Moderate Food Plan outlines nutrient dense foods and beverages that support a healthy diet of meals and snacks at home.	
	These budgets are adjusted by a 10-year differential between the amount spent on food in the Northeast compared to the United States using the CES.	
Housing	Data: HUD's Fair Market Rent Survey	None
	Assumption: One bedroom rental for single, no kids household and two adult no kids household. Two bedroom rental for all other household configurations.	
Transportation	Data: National Household Transportation Survey, IRS Mileage Rate and AAA Mileage Rate	Option 1: Maintain existing methodology knowing that the NHTS will be updated every two years going forward.
		Option 2: Purchase add-ons to the NHTS survey to ensure robust and reliable sample size for Vermont moving forward.
		Option 3: Shift to CES with a regional adjustment.
Health Care	Data: Medical Expenditure Panel Survey for premiums and VHCURES for out-of-pocket expenses.	None
	Assumption: Plans are employer sponsored.	
Dental Care	Data: Delta Dental most popular dental plan as a proxy for premium expenses given large market share.	None
Child Care	Data: DCF ongoing market surveys	Option 1: Continue existing methodology and include childcare subsidies when calculating childcare spending.
	Assumptions: In one child households the child is age 4 and two child households the children are ages 4 and 6. 4-year olds are assumed to need 52 weeks of full-time care and 6-year old children are assumed to need 15 weeks of full-time care and 37 weeks of part-time care.	Option 2: Continue existing methodology and do not include childcare subsidies when calculating childcare spending.
Clothing & Household Expenses	Data: CES	Option 1: Maintain existing methodology.
		Option 2: Maintain existing methodology but add in cost of a computer.
Personal Expenses	Data: CES with CPI adjustments.	None
Telecommunications	Data: CES and CDC Household Telephone Status by State Survey.	Option 1: Maintain existing methodology.
		Option 2: Assume cellphone for everyone.
Rental Insurance	Data: VT Department of Financial Regulation.	None
Term Life Insurance	Assumption: Plans are for 10 times annual earnings and premium pricing of \$0.78 per \$1,000 of coverage and \$97 annual policy fee.	None
Savings	Assumption: 5% of budget is allocated to savings.	None
Taxes	Calculate Federal and State income and FICA/Medicare taxes net of earned income tax credit, child tax credit, and dependent care credits.	Option 1: Maintain Existing Methodology
	Assumption: These calculations do not assume other forms of tax savings such as medical or dependent care savings accounts.	Option 2: Maintain existing methodology but remove all tax credits from the calculations.
	Assumption: two adult households are assumed to file as married filing jointly.	

Assumptions	Current Assumption	Proposed Assumption
Family Configurations	Single, no children	
	Single, one child	
	Single, two children	
	Two adults, no children	
	Two adults, (one wage earner), two children	
	Two adults, (two wage earners), two children	
Urban vs. Rural	Budgets are calculated for urban areas (Chittenden County) and rural areas (the rest of the state)	
	The official livable wage is the average between the urban and rural livable wage for two adult households with no children.	
Two adult households	Two adult households are assumed to be married.	